

INCLINATION REPORT

OPERATOR Aztec Oil & Gas Co. ADDRESS P. O. Box 837, Hobbs, N.M.  
 LEASE State "DS" WELL NO. 4 FIELD Undesignated  
 LOCATION 1980/S, 660/W, Section 24-17S-36E, Lea County, New Mexico

Depth	Angle (Inclination 'degrees)	Displacement	Displacement Accumulated
326'	1/2	2.8362	2.8362
816'	1/2	4.2630	7.0992
1313'	1/2	4.3239	11.4231
1682'	3/4	4.8339	16.2570
2178'	1	8.6800	24.9370
2676'	1-1/4	10.8564	35.7934
2707'	1-1/4	0.6758	36.4692
3202'	1-1/2	12.9690	49.4382
3475'	1-1/2	7.1526	56.5908
3858'	1-3/4	11.6815	68.2723
4181'	1-3/4	9.8515	78.1238
4448'	1-3/4	8.1435	86.2673
4700'	2	8.7948	95.0621
4843'	2	4.9907	100.0528
4901'	2	2.0242	102.0770
4960'	2-1/4	2.3187	104.3957
5035'	2	2.6175	107.0132

I hereby certify that the above data as set forth is true and correct to the best of my knowledge and belief.

Cactus Drilling Company

By: *Ronnie Ramsey*  
 Title: Clerk

Affidavit:

Before me, the undersigned authority, appeared Ronnie Ramsey known to me to be the person whose name is subscribed herebelow, who, on making deposition, under oath states that he is acting for and in behalf of the operator of the well identified above, and that to the best of his knowledge and belief such well was not intentionally deviated from the true vertical whatsoever.

*Ronnie Ramsey*  
 (Affiant's Signature)

Sworn and subscribed to in my presence on this the 20 day of Oct.

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*Donald [Signature]*  
 Notary Public in and for the County  
 of Lea, State of New Mexico

Seal